

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
GLOBAL RESELLER EXPEDITED PACKAGE CONTRACTS 1  
(MC2010-21)  
NEGOTIATED SERVICE AGREEMENTS

Docket No.  
CP2013-49

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 1**  
(February 19, 2013)

The United States Postal Service (Postal Service) hereby provides its response to Chairman's Information Request (CHIR) No. 1, issued on February 14, 2013. Each question is stated verbatim and is followed by the response.

Questions 2 and 3 of CHIR No. 1 were filed under seal. As a result, portions of the responses to Questions 2 and 3 are filed under seal. Because the responses to Question 2 and 3 concern materials already filed under seal in this docket, the redacted portions of the responses to Question 2 and 3 are covered by the Application for Non-public Treatment that the Postal Service previously filed in this docket,<sup>1</sup> which the Postal Service incorporates here by reference.

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<sup>1</sup> Notice of United States Postal Service of Filing a Functionally Equivalent Global Reseller Expedited Package Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, Docket No. CP2013-49, February 8, 2013, Attachment 4.

Respectfully submitted,

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February 19, 2013

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 1  
DOCKET NO. CP2013-49**

1. Article 11 of the agreement that is the subject of this docket (Agreement) states, "The Agreement will remain in effect until either Party terminates the Agreement, which shall be done by providing at least ninety (90) days prior written notice to the other party."<sup>2</sup> That is, the contract does not appear to specify a termination date. However, spreadsheet "01\_Input" of the public workpapers filed with the Notice provides for an "Agreement Period End Month" of January 2014. What is the expected termination date, if any, for the Agreement?

**RESPONSE:**

The agreement does not include a specific termination date. As Article 11 of the agreement states, the Agreement "will remain in effect until either Party terminates the Agreement, which shall be done by providing at least ninety (90) days prior written notice to the other party."

The agreement was filed in accordance with 39 C.F.R. § 3015.5. Section 3015.5(c)(1) requires the Postal Service to file with the Commission "[s]ufficient revenue and cost data for the 12-month period following the effective date of the rate or class to demonstrate that each affected competitive product will be in compliance with 39 U.S.C. 3633(a)(2)...." Thus, the workpapers concern a 12-month period, which is indicated in spreadsheet "01 input" in row 19 with an "Agreement Period Start Month (CY 2013)" of February 2013, and in row 20 with an "Agreement Period End Month (CY 2014)" of January 2014.

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<sup>2</sup> Notice of United States Postal Service of Filing a Functionally Equivalent Global Reseller Expedited Package Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, February 8, 2013, Attachment 1 at 7 (Notice).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 1  
DOCKET NO. CP2013-49**

2.

[REDACTED]

**RESPONSE:**

The Commission has reviewed a number of Global Reseller Expedited Package (GREP) agreements and included them on the competitive products list. In this Agreement, the customer and the United States Postal Service (Postal Service),

[REDACTED]

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<sup>3</sup> Notice of United States Postal Service of Filing a Functionally Equivalent Global Reseller Expedited Package Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, February 8, 2013, at 4 (Notice).

<sup>4</sup> Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Global Reseller Expedited Package Contracts, March 24, 2010, Attachment B (Governors' Decision 10-1).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 1  
DOCKET NO. CP2013-49**

In Article 6 of the Agreement, the Reseller agrees “[t]o offer the Reseller’s Customers prices based on this Agreement,” [REDACTED]  
[REDACTED] discussed in Article 7 of the Agreement. Furthermore, Article 6 of the Agreement states that “[s]ubject to the conditions of th[e] Agreement, the Reseller has the right to offer all or a portion of the discounts provided that any difference between discounts offered by the Reseller and discounts offered by the USPS are handled by the Reseller itself and not by the PC Postage® Provider.”

The Agreement is in accordance with the Formulas for Prices Under Applicable Global Reseller Expedited Package Contracts established in Governors’ Decision 10-1 which require that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

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<sup>5</sup> Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Global Reseller Expedited Package Contracts, March 24, 2010, Attachment B (Governors’ Decision 10-1).

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CHAIRMAN'S INFORMATION REQUEST NO. 1  
DOCKET NO. CP2013-49**

3.

[REDACTED]

**RESPONSE:**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]